

Linked but unequal brew

Formal and informal beer market

The apartheid government destroyed the informal beer industry in townships so it could benefit from the sale of liquor in beer halls. But what is not so well known, as **Mariane Tsoeu** explains, is that white capital's South African Breweries (SAB) also benefited by homing in on the illegal township shebeen market where it remains king today.

“You are the one for me,” says Sash to the barman. “Whenever I see you my heart is immediately overtaken by joy and wonderful... unexplainable emotions.” Ruby, the barman smiles and says to Sash, “Ya, the love of the Black (Carling Black Label) is spell-binding.”

We all burst out in laughter. Every time he takes a sip, he closes his eyes, gulps it and opens his eyes, investigates the bottle carefully: “I cannot believe that man is able to create such a drink... a drink so perfect, a drink our ancestors could never even imagine... ever.”

On the other side of town sits Ntate Manamela with his prosthetic leg on the table in Bab’Nkonyana’s shebeen, slowly drinking Hansa Pilsner with his son, Solly. Ntate Manamela is always on time for his drink. He comes into the shebeen at 11am sharp, goes to his favourite spot in the shebeen, takes off his prosthetic leg and gently places it on the table; then his sunglasses follow. He takes R20 out of his pocket and shouts, “Girly, here is money; buy your granddaddy a Hansa set (3 x 750ml bottles of Hansa for R20).”

“Yes, Ntate.”

On his first bottle he does not say anything; he merely glances at his

glass and looks at the bottle label and smiles to himself. Obviously something inside the brown bottle is working itself through his system.

On the second bottle, Ntate Manamela starts talking about the 1970s and how he lost his leg while working as a policeman. He tells me that even without his leg, his wife stood by him and helped him walk again.

On his third bottle he hops outside the shebeen and joins the group enjoying a game of morabaraba in the shade. He hobbles towards the group and demands, “Phala, Josie, move over let me show you how to play this game.”

The two move over and by 1pm the shebeen is full of men and women from around the neighbourhood, drinking their favourite SAB beer. Mamthandi, enjoys the Black while Nonhlanhla sips on Castle Lager. Mpho joins them 20 minutes later with his new-found drink, Peroni Nastro Azurro. Apparently it defines his new self. He found a job in Leratong Hospital as an administration clerk and he has moved into his new shack, No. 64321A and bought a double bed to match his new pyjamas that he

bought with his own money.

Mpho tells the whole world of his new life as a working man. Bab’Nkonyana gets bored with his speeches and says, “It’s Monday today; why aren’t you at work? You will quickly go back to your old unemployed self again if you re not careful.”

“I am on night duty, I drink first before I can work. That is my nature.”

SAB LARGEST BREWER

Old-style shebeens are the core of township culture. The second scene is at a typical shebeen, where every person who comes to the shebeen buys (SAB) beers, mainly mainstream beer (the brown bottled type). This illustrates some of the passion behind South African beer culture.

Shebeens like these are the backbone of SAB. Soweto is known as the quarts market - mainstream beer, the brown 750ml bottled beer. The three SAB mainstream beers are what I have come to know as the trinity: Carling Black Label, Castle Lager and Hansa Pilsner.

In December 2007, SAB’s Soweto depot stated that the township consumes over 62 222 cases of beer per day (each case has 12 beers). According to a study by Markinor, a



Shebeens are an integral part of the family and are run from home.

market research company, SAB ranked the second highest “overall favourite brand” in South Africa for the years 2007 and 2008.

Within SAB beer brands, Carling Black Label ranked first, followed by Castle Lager and Hansa Pilsner as the most favourite beers in 2007 and 2008. It is not surprising that over 82% of the beer produced by SAB is consumed in townships like Soweto across South Africa, mostly in illegal shebeens. This implies that there is a strong link between the formal and the informal economies.

In early 2008, SAB was the largest beer brewing company in terms of volumes of beer sold around the world. When one looks at this giant it is hard to believe that it grew from the informal economy and to an extent from illegality.

SAB ENTERS ILLEGAL MARKET

The production, selling and distribution of beer in the townships or in black areas was

prohibited as early as 1928. During the apartheid years the state passed laws that prohibited the production of beer in the informal economy. The production of beer was monopolised by white formal enterprises for the white market.

Before the state’s prohibition, the informal beer economy was dominated by the black population which used it to supplement low wages in the mines and city jobs. Beer brewing was mostly done by black women since they could not easily access formal employment. But the South African government saw that it was losing significant finance to the informal beer market which it could be exploiting. So in the early 1900s the government put laws in place to make informal beer brewing illegal. So the formal economy started to control the production of beer.

In this way the state was instrumental in creating a divide

between the capitalist and pre-capitalist modes of production. Cleavages in the economy emerged, on one end the formal economy and on the other the informal economy.

The formal economy was mostly white settlers and the informal economy the local population. But the white brewing companies could not make a significant profit because the white market was too thin so they began to supply the township market illegally.

The way the illegal market worked was that shebeen owners would have a mailer, who was usually a white man, who had contact with white liquor shop owners. The mailer arranged illegal transactions on behalf of the shebeens, such as the type and quantity of liquor to be exchanged, the meeting place and the disguise.

The mailer also arranged bribes with policemen on a particular route to turn a blind eye to these



A family member serves customers from her home in Snake Park, Soweto.

activities. The disguises en route to shebeens were creative and varied. Shebeen owners would, for example, hire a truck delivering flowers or fruits, and underneath these goods were the beer cases. At the exchange points, the liquor was placed in the 'flower' and 'fruits' trucks.

The South African liquor industry grew out of these sorts of dealings with shebeens and SAB was fully aware of it and was benefiting from it. The liquor stores or wholesalers became the 'runners', the middlemen between the formal beer producers and illegal shebeens. Anne Mager, an academic from the University of Cape Town found evidence that SAB grew from illegally supplying liquor to the townships.

By the end of 1969, Sowetans were spending R16m a year on European liquor - four times the rent collected in the township. SAB was instrumental in the expansion of shebeens in Soweto. It provided these shebeens with fridges, stock on credit and transportation. The

company could not protect shebeens from the loss of fridges and beer stocks during police raids but in some circumstances, SAB would help loyal shebeens to pay guilt fines.

GOVERNMENT AND SAB COMPETE

When government banned brewing by local township people its main motive was to sell liquor itself to the black working class which would significantly add to its revenue. When township dwellers brewed and sold their own beer in the informal economy, government saw it was losing out.

In consequence government built municipal liquor halls in townships and made this the only legal place to buy beer for black people. The beer halls produced traditional beer (unclear beer, made out of maize, sorghum) like *umqobothi*. Its logic was that when this beer was sold in beer halls there would not be a need for African men to go to township shebeens to buy it there.

However, most black people preferred the township style shebeens and SAB knew this. Thus it emerged, even if illegally, as a major competitor to government beer halls. At the height of apartheid, SAB cut deals with shebeen kings and queens to sell its beer. As a result, today nowhere else in the country is the quarts market as big as it is in the townships and this is due to the underground relationship between SAB and shebeens during apartheid.

It was only in the mid-1960s that SAB was allowed to access the black market legally and in 1987 shebeens were given the legal right to sell beer. This was the first time that SAB was legally allowed to make business deals directly with shebeens. LB

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